

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Settlement Agreement, is made and entered into by and among the following Settling Parties (defined below): (i) Ana Rodriguez (“Plaintiff”), individually and on behalf of the Settlement Class (defined below), by and through her counsel of record, Migliaccio & Rathod LLP (“Proposed Class Counsel”); and (ii) the bankruptcy estate of Stratford University, Inc. d/b/a Stratford University (“Stratford”), by and through its counsel of record, McDonald Hopkins (“Stratford’s Counsel”). The Settlement Agreement is subject to: (1) the Bankruptcy Court (a) approving the settlement under Federal Rule of Bankruptcy Procedure 9019 and (b) lifting the automatic stay; and (2) the District Court granting preliminary and final approval. The Settlement Agreement is intended by the Settling Parties to fully, finally, and forever resolve, discharge, and settle the Litigation (defined below) and the Released Claims (defined below), upon and subject to the terms and conditions below.

RECITALS

WHEREAS, in April and August 2022, Stratford experienced two data-security incidents (respectively the “First Incident” and “Second Incident,” and collectively the “Data Incidents”).

WHEREAS, although immediately upon learning of the First Incident, Stratford alerted its students and employees to the existence of that Incident by e-mail, it ultimately determined that the First Incident did not involve personally identifiable information (“PII”) and therefore no formal data-breach notification was required;

WHEREAS, on September 14, 2022, Plaintiff initiated the Litigation against Stratford, asserting various claims arising out of the First Incident;

WHEREAS, on January 26, 2023, Stratford provided formal notice of the Second Incident to current, former, and prospective students and employees that their PII may have been impacted;

WHEREAS, on February 1, 2023, Plaintiff filed in the Litigation an Amended Class Action Complaint (the “Complaint”), in which she added allegations related to the Second Incident;

WHEREAS, on February 2, 2023, Stratford filed a petition for bankruptcy under Chapter 7 of the U.S. Bankruptcy Code, and its estate is now represented by Janet Meiburger, the Chapter 7 trustee (the “Trustee”);

WHEREAS, Stratford denies each and all of the claims and contentions alleged against it in the Litigation, denies any and all liability or wrongdoing of any kind, and denies all charges of wrongdoing or liability as alleged, or which could be alleged, in the Litigation;

WHEREAS, given inherent risks and uncertainty of litigation, the Settling Parties determined that it was advisable to mediate the dispute in an effort to reach an early resolution;

WHEREAS, Stratford provided Proposed Class Counsel with certain factual information related to Data Incidents to aid in the mediation;

WHEREAS, on December 21, 2023, the Settling Parties engaged in an arm’s-length, full-

day mediation session under the direction of experienced mediator Bruce Friedman, Esq. and reached an agreement in principle to resolve the Litigation, as outlined herein;

WHEREAS, the Settling Parties concluded that further litigation would be protracted and expensive, considered the uncertainty and risks inherent in litigation, and determined that it is desirable to effectuate a full and final settlement of the claims asserted in the Litigation on the terms set forth below to avoid the associated burdens, risks, and extensive costs;

WHEREAS, this Agreement shall in no event be construed or deemed to be evidence of or an admission or concession on the part of Stratford with respect to any claim of any fault, liability, wrongdoing, or damage whatsoever, any infirmity in the defenses or arguments that Stratford has asserted or would assert, or whether the requirements of Federal Rule of Civil Procedure 23 have been or could be satisfied, or whether the Representative Plaintiff satisfies the requirements set forth in Federal Rule of Civil Procedure 23;

WHEREAS, based on their substantial investigation and experience in data-breach cases, Plaintiff's Counsel have concluded that the terms and conditions of this Agreement are fair, reasonable, and adequate to Settlement Class Members (defined below) and are in their best interests, and have agreed to settle the claims that were asserted or could have been asserted in the Litigation arising out of or relating to the Data Incidents pursuant to the terms and provisions of this Agreement after considering: (a) the substantial benefits that Settlement Class Members will receive from the Settlement, (b) the uncertain outcome and attendant risks of litigation, (c) the delays inherent in litigation, and (d) the desirability of permitting the settlement of this litigation to be consummated as provided by this Agreement; and

WHEREAS, this Settlement Agreement provides for the resolution of all claims and causes of action asserted, or that could have been asserted, against Stratford relating to the Data Incidents, by and on behalf of Plaintiff and Settlement Class Members, and any other such actions by and on behalf of any other individuals originating, or that may originate, in jurisdictions in the United States of America against Stratford relating to the Data Incidents.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among Plaintiff, individually and on behalf of the Settlement Class, Proposed Class Counsel, and Stratford that, subject to all necessary approvals from the Bankruptcy Court and District Court, when Judgment becomes Final, the Litigation and the Released Claims shall be finally and fully compromised, settled, and released, and the Litigation shall be dismissed with prejudice as to the Settling Parties, the Settlement Class, and the Settlement Class Members, except those Settlement Class Members who timely opt out of the Settlement Agreement, upon and subject to the terms and conditions of this Settlement Agreement.

1. Definitions

As used in the Settlement Agreement, the following terms have the meanings specified below:

- 1.1 "Agreement" or "Settlement Agreement" means this agreement.
- 1.2 "Bankruptcy Court" means the U.S. Bankruptcy Court for the Eastern District of

Virginia.

1.3 “Claims Administration” means providing notice to the Settlement Class Members and the processing and payment of claims received from Settlement Class Members by the Claims Administrator (defined below).

1.4 “Claims Administrator” means Angeion Group, a notice and claims administrator with recognized expertise in class action notice and claims generally and data security litigation specifically, as jointly agreed upon by the Settling Parties and approved by the District Court.

1.5 “Claims Deadline” means the postmark or online submission deadline for Valid Claims (as defined below) pursuant to ¶ 3.2, which shall be 90 days from the Notice Date.

1.6 “Claim Form” means the form utilized by the Settlement Class Members to submit a Settlement Claim (as defined below) for reimbursement. The Claim Form will be substantially in a form as shown in Exhibit A attached hereto, which will be available on both the Settlement Website (as defined below) and in paper format, if specifically requested by Settlement Class Members.

1.7 “Complaint” means the Amended Class Action Complaint filed by Plaintiff in the U.S. District Court for the Eastern District of Virginia on February 1, 2023.

1.8 “Costs of Claims Administration” means all actual costs associated with or arising from Claims Administration.

1.9 “Data Incidents” means the cybersecurity incidents that Stratford became aware of in or around April 2022 and August 2022, and which gave rise to the Litigation.

1.10 “District Court” means the U.S. District Court for the Eastern District of Virginia, Alexandria Division.

1.11 “Effective Date” means the date 35 days after Final approval is entered and all time for appeal has passed.

1.12 “Final” means the occurrence of all of the following events: (i) the settlement pursuant to this Settlement Agreement is finally approved by the District Court; (ii) the District Court has entered a Judgment (as defined below); and (iii) the time to appeal or seek permission to appeal from the Judgment has expired or, if appealed, the appeal has been dismissed in its entirety, or the Judgment has been affirmed in its entirety by the court of last resort to which such appeal may be taken, and such dismissal or affirmance has become no longer subject to further appeal or review. Notwithstanding the above, any order modifying or reversing any attorneys’ fee award or service award made in this case shall not affect whether the Judgment is Final or any other aspect of the Judgment.

1.13 “Judgment” means a judgment rendered by the District Court.

1.14 “Litigation” means this action, *Ana Rodriguez v. Stratford University, Inc.*, in the U.S. District Court for the Eastern District of Virginia, Alexandria Division, Case No. 1:22-cv-

01048-MSN-WEF.

1.15 “Long Notice” means the long form notice of settlement posted on the Settlement Website, substantially in the form as shown in Exhibit C hereto.

1.16 “Notice Date” means the date on which the Notice Program commences, which shall be within 30 days from the date the District Court enters the Preliminary Approval Order.

1.17 “Notice Program” means the notification of the Settlement to be provided to Class Members, as described in section 4.2 below.

1.18 “Objection Date” means the date by which Settlement Class Members must mail their objection to the settlement for that objection to be effective. The Objection Date shall be 60 days from the Notice Date. The postmark date shall constitute evidence of the date of mailing for these purposes.

1.19 “Opt-Out Date” means the date by which Settlement Class Members must mail their requests to be excluded from the Settlement Class for that request to be effective. The Opt-Out Date shall be 60 days from the Notice Date. The postmark date shall constitute evidence of the date of mailing for these purposes.

1.20 “Plaintiff” or “Class Representative” or “Representative Plaintiff” means Ana Rodriguez.

1.21 “Plaintiff’s Counsel” means Migliaccio & Rathod LLP and Sutter & Terpak, PLLC.

1.22 “Preliminary Approval Order” means the order preliminarily approving the Settlement Agreement and ordering that notice be provided to the Settlement Class. The Settling Parties’ proposed form of Preliminary Approval Order is attached hereto as Exhibit D.

1.23 “Proposed Class Counsel” means Migliaccio & Rathod LLP and Sutter & Terpak, PLLC.

1.24 “Released Claims” shall collectively mean any and all past, present, and future claims and causes of action including, but not limited to, any causes of action arising under or premised upon any statute, constitution, law, ordinance, treaty, regulation, or common law of any country, state, province, county, city, or municipality, including 15 U.S.C. §§ 45 *et seq.*, and all similar statutes in effect in any states in the United States; violations of the Virginia and similar state consumer protection statutes; violations of any federal or state data breach notification statute; negligence; negligence *per se*; breach of contract; breach of implied contract; breach of fiduciary duty; breach of confidence; invasion of privacy; fraud; misrepresentation (whether fraudulent, negligent or innocent); unjust enrichment; bailment; wantonness; failure to provide adequate notice pursuant to any breach notification statute or common law duty; and including, but not limited to, any and all claims for damages, injunctive relief, disgorgement, declaratory relief, equitable relief, attorneys’ fees and expenses, pre-judgment interest, credit monitoring services, the creation of a fund for future damages, statutory damages, punitive damages, special damages, exemplary damages, restitution, and/or the appointment of a receiver, whether known or unknown, liquidated or unliquidated, accrued or unaccrued, fixed or contingent, direct or derivative, and any

other form of legal or equitable relief that either has been asserted, was asserted, or could have been asserted, by any Settlement Class Member against any of the Released Parties based on, relating to, concerning or arising out of the Data Incidents or the allegations, transactions, occurrences, facts, or circumstances alleged in or otherwise described in the Litigation, including, without limitation, any bankruptcy claims related to the Data Incidents. Released Claims shall not include: (i) the right of any Settlement Class Member or any of the Released Parties to enforce the terms of the settlement contained in this Settlement Agreement; (ii) the claims of Settlement Class Members who have timely excluded themselves from the Settlement Class consistent with the terms and requirements of this Agreement; and (iii) any bankruptcy claims unrelated to the Data Incidents.

1.25 “Released Parties“ means Stratford and all of its past, present, and future parent companies, partnerships, subsidiaries, affiliates, divisions, employees, servants, members, providers, partners, principals, directors, shareholders, and owners, and all of their attorneys, heirs, executors, administrators, insurers, coinsurers, reinsurers, joint ventures, personal representatives, predecessors, successors, transferees, trustees, and assigns, and the Trustee, and including, without limitation, any person related to any such individuals and entities who is, was, or could have been named as a defendant in the Litigation.

1.26 “Settlement Claim“ means a claim for settlement benefits made under the terms of this Settlement Agreement.

1.27 “Settlement Class“ means all U.S. residents who were sent a direct notice of the Data Incidents by Stratford in January 2023. The Settlement Class specifically excludes: (a) Stratford, and its former officers and directors; (b) all Settlement Class Members who timely and validly request exclusion from the Settlement Class; (c) the presiding judges, and their staff and family; (c) the Trustee; and (d) any other person found by a court of competent jurisdiction to be guilty under criminal law of initiating, causing, aiding or abetting the criminal activity occurrence of the Data Incidents or who pleads *nolo contendere* to any such charge.

1.28 “Settlement Class Member(s)“ or “Member(s)” means a person(s) who falls within the definition of the Settlement Class.

1.29 “Settlement Fund“ means the amount of \$580,000 that Stratford will pay, or cause to be paid, on a non-reversionary basis to settle the Litigation.

1.30 “Settlement Website” means the website described in ¶ 4.2.

1.31 “Settling Parties“ means, collectively, Stratford and Plaintiff, individually and on behalf of the Settlement Class.

1.32 “Short Notice“ means the content of the mailed notice to Settlement Class Members, substantially in the form as shown in Exhibit B attached hereto. The Short Notice will direct recipients to the Settlement Website and inform Settlement Class Members, among other things, of the Claims Deadline, the Opt-Out Date, the Objection Date, the requested attorneys’ fees, and the date of the Final Fairness Hearing (as defined below). It will also contain the Unique Claim ID.

1.33 “Stratford’s Counsel” means McDonald Hopkins LLC.

1.34 “Unknown Claims” means any of the Released Claims that any Settlement Class Member, including Plaintiff, does not know or suspect to exist in his/her favor at the time of the release of the Released Parties that, if known by him or her, might have affected his or her settlement with, and release of, the Released Parties, or might have affected his or her decision not to object to and/or to participate in this Settlement Agreement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that upon the Effective Date, Plaintiff intends to and expressly shall have, and each of the other Settlement Class Members intend to and shall be deemed to have, and by operation of the Judgment shall have, waived the provisions, rights, and benefits conferred by California Civil Code § 1542, and also any and all provisions, rights, and benefits conferred by any law of any state, province, or territory of the United States (including, without limitation, California Civil Code §§ 1798.80 *et seq.*, Montana Code Ann. § 28-1-1602; North Dakota Cent. Code § 9-13-02; and South Dakota Codified Laws § 20-7-11), which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Settlement Class Members, including Plaintiff, may hereafter discover facts in addition to, or different from, those that they, and any of them, now know or believe to be true with respect to the subject matter of the Released Claims, but Plaintiff expressly shall have, and each other Settlement Class Member shall be deemed to have, and by operation of the Judgment shall have, upon the Effective Date, fully, finally and forever settled and released any and all Released Claims. The Settling Parties acknowledge, and Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver is a material element of the Settlement Agreement of which this release is a part.

1.35 “United States” as used in this Settlement Agreement includes all 50 states, the District of Columbia, and all territories.

1.36 “Valid Claims” means Settlement Claims in an amount approved by the Claims Administrator or found to be valid through the claims processing and/or dispute resolution process described in ¶ 3.8.

2. Settlement Fund

2.1 Establishment of Settlement Fund. Within twenty (20) days of the Preliminary Approval Order, Stratford shall deposit or cause to be deposited the total sum of Five Hundred Eighty Thousand Dollars and Zero Cents (\$580,000.00) into an interest-bearing account established and administered by the Claims Administrator. Establishment of the Settlement Fund is the complete and full extent of Stratford’s monetary obligations under this Settlement Agreement. As set forth below, all settlement-related costs shall be paid from the Settlement Fund.

2.2 Qualified Settlement Fund. The Settling Parties agree that the Settlement Fund is intended to be maintained as a qualified settlement fund within the meaning of Treasury Regulation § 1.468 B-1, and that the Claims Administrator, within the meaning of Treasury Regulation § 1.468 B-2(k)(3), shall be responsible for filing tax returns and any other tax reporting for or in respect of the Settlement Fund and paying from the Settlement Fund any Taxes and Tax-Related Expenses owed with respect to the Settlement Fund. The Settling Parties agree that the Settlement Fund shall be treated as a qualified settlement fund from the earliest date possible and agree to any relation-back election required to treat the Settlement Fund as a qualified settlement fund from the earliest date possible. Any and all funds held in the Settlement Fund shall be held in an interest-bearing account insured by the Federal Deposit Insurance Corporation. Funds may be placed in a non-interest bearing account as may be reasonably necessary during the check clearing process. The Claims Administrator shall provide an accounting of any and all funds in the Settlement Fund, including any interest accrued thereon and payments made pursuant to this Agreement, upon request of any of the Settling Parties.

2.3 Custody of Settlement Fund. The Settlement Fund shall be deemed to be in the custody of the District Court and shall remain subject to the jurisdiction of the District Court until such time as the entirety of the Settlement Fund is distributed pursuant to this Settlement Agreement or the balance returned to those who paid the Settlement Fund in the event this Settlement Agreement is terminated in accordance with this Agreement.

2.4 Use of the Settlement Fund. As further described in this Agreement, the Settlement Fund shall be used by the Claims Administrator to pay for the following: (a) all costs of claims administration, including notice and any notices required under the Class Action Fairness Act (“CAFA”), (b) Plaintiff’s Counsel’s fees and expenses and approved service awards, (c) the costs of settlement benefits described, in Section 3 below. No amounts may be withdrawn from the Settlement Fund unless expressly authorized by this Agreement or approved by the District Court. Responsibility for effectuating payments described in this paragraph shall rest solely with the Claims Administrator and neither Stratford nor Stratford’s agents shall have any responsibility whatsoever with respect to effectuating such payments.

2.5 Taxes and Representations. Taxes and tax-related expenses relating to the Settlement Fund, if any, shall be considered Costs of Claims Administration and shall be timely paid by the Claims Administrator out of the Settlement Fund without prior order of the District Court. Further, the Settlement Fund shall indemnify and hold harmless the Settling Parties and their counsel for taxes and tax-related expenses (including, without limitation, taxes payable by reason of any such indemnification payments). The Settling Parties and their respective counsel have made no representation or warranty, and have no responsibility, with respect to the tax treatment by any Plaintiff or any Settlement Class Member of any payment or transfer made pursuant to this Agreement or derived from or made pursuant to the Settlement Fund. Each Plaintiff and Settlement Class Member shall be solely responsible for the federal, state, and local tax consequences to him, her, or it of the receipt of funds from the Settlement Fund pursuant to this Agreement.

3. Settlement Benefits

3.1 Credit Monitoring Services. Settlement Class Members can elect to enroll in two years of one-bureau credit monitoring services under the settlement that will include a minimum of the following features: (a) dark web scanning with immediate user notification if potentially unauthorized use of a class member's personal information is detected; (b) identity theft insurance in the amount of at least \$1,000,000; (c) real-time credit monitoring; and (d) access to fraud resolution agents ("Credit Monitoring Services"). The costs for such services will be negotiated with the provider and will be paid from the Settlement Fund. Credit Monitoring Services are available to all Settlement Class Members regardless of whether they submit a claim for Out-of-Pocket Losses, Attested Time, or an Alternative Cash Payment.

3.2 Reimbursement for Out-of-Pocket Losses and Attested Time. Settlement Class Members may submit a claim for Out-of-Pocket Losses and Attested Time up to \$5,000.00 per individual.

- a) "Out-of-Pocket Losses" are documented, unreimbursed costs or expenditures incurred by a Settlement Class Member on or after April 2022 through the close of the Claims Period, which are fairly traceable to the Data Incidents. Out-of-Pocket Losses may include, without limitation, the following: (1) unreimbursed costs, expenses, losses or charges incurred as a result of actual misuse of Settlement Class Member's personal information (including identity theft, identity fraud, or falsified tax returns) that was provided to Stratford before the Data Incidents; (2) costs necessary to access or freeze/unfreeze credit reports with any credit reporting agency; (3) other miscellaneous expenses such as notary, fax, postage, copying, mileage, and long-distance telephone charges that were incurred in relation to the other unreimbursed costs or expenses described in this paragraph; (4) credit monitoring or other similar mitigative costs; and (5) professional fees including attorneys' and accountants' fees, and fees for credit repair services.
- b) Class members who elect to submit a claim for reimbursement of Out-of-Pocket Losses must provide to the Claims Administrator the information and documentation required to evaluate the claim, including: (1) the class member's name and current address; (2) an attestation under penalty of perjury describing the amount of the Out-of-Pocket Losses and the factual basis of the claim for Out-of-Pocket Losses; (3) documentation supporting each loss in their claim; and (4) a brief description of the documentation describing the nature and amount of the loss, if the nature and amount of the loss are not apparent from the documentation alone. Documentation supporting Out-of-Pocket Losses can include receipts or other documentation not "self-prepared" by the class member that documents the costs incurred. "Self-prepared" documents such as handwritten receipts are, by themselves, insufficient to receive reimbursement, but can be considered to add clarity to or support other submitted documentation.
- c) The Claims Administrator, in its sole discretion to be reasonably exercised, will determine whether: (1) the claimant is a Settlement Class Member; (2) the claimant has provided all information needed to complete the Claim Form, including any

documentation that may be necessary to reasonably support the Out-of-Pocket Losses; and (3) the information submitted could lead a reasonable person to conclude that it is more likely than not the claimant has suffered the claimed losses as a result of the Data Incidents.

- d) Settlement Class Members with Out-of-Pocket Losses may also submit a claim for up to 5 hours of time spent addressing issues related to the Data Incidents at \$25 per hour by providing an attestation and a brief description of (1) the actions taken in response to the Data Incidents and (2) the time associated with each action (“Attested Time”). Claims for Attested Time fall within (and are not in addition to) the \$5,000 cap on individual claims for Out-of-Pocket Losses.
- e) If a claim for reimbursement of Out-of-Pocket Losses and Attested Time is denied or the amount approved is less than the amount projected to be distributed for Alternative Cash Payments, the Settlement Class Member will automatically be added to the pool of Settlement Class Members claiming Alternative Cash Payments (defined below) if the class member did not already submit such a claim

3.3 Alternative Cash Payment Claim: In lieu of making a monetary claim under ¶ 3.2, Settlement Class Members may submit a claim to receive a flat-fee payment, the amount of which will be determined in accordance with the Plan of Allocation below (an “Alternative Cash Payment”). The maximum Alternative Cash Payment is \$100.

3.4 Proration: In the event that the Settlement Fund is exhausted pursuant to ¶ 3.6, payments for claims for Out-of-Pocket Losses and Alternative Cash Benefits will be paid pro rata.

3.5 Eligibility: To obtain the benefits listed above, Settlement Class Members must timely submit a Valid Claim using the Claim Form. Settlement Class Members must identify their Unique Claim ID on their Claim Form. Settlement Class Members will be sent a Unique Claim ID with their Short Notice of the settlement. As a fraud preventative measure, any Settlement Class Member who loses or does not receive a Short Notice will be required to print and mail a Claim Form and will need to provide reasonable documentation to confirm that they are a Settlement Class Member. The Claims Administrator may use standard fraud-identification and prevention techniques in validating the status of Uncontactable Class Members and in reviewing and claims of Settlement Class Members.

3.6 Plan of Allocation: The Settlement Fund shall be used to make payments in the following order: (a) all Costs of Claims Administration, including, without limitation, costs of notice (including any notices required under CAFA), (b) approved fees and expenses of Plaintiff’s Counsel, and District Court-approved service awards, (c) the costs of providing the Credit Monitoring Services; and (d) approved claims for Out-of-Pocket Losses (including Attested Time) and approved Alternative Cash Payment payments.

3.7 Distribution of Remainder Funds: To the extent any monies remain in the Settlement Fund more than 120 days after the distribution of all settlement payments to the Settlement Class Members, a subsequent settlement payment will be evenly made to all Settlement Class Members with approved claims for monetary payments under either ¶¶ 3.2 or 3.3 above and

who cashed or deposited the initial payment they received, provided that the average check amount is equal to or greater than Three Dollars and No Cents (\$3.00). The distribution of this remaining Settlement Fund shall continue until the average check or digital payment amount in a distribution is less than three dollars (\$3.00), whereupon the amount remaining in the Settlement Fund, if any, shall be distributed by mutual agreement of the Settling Parties to District Court-approved non-profit recipients. Should it become necessary to distribute any remaining amount of the Settlement Fund to a District Court-approved non-profit recipient, the Settling Parties shall petition the District Court for permission to do so, providing the District Court with details of the proposed non-profit recipient. The Settling Parties propose that any remaining amount be split equally between the Electronic Information Privacy Center and Feeding America as the approved non-profit recipients.

3.8 Dispute Resolution for Claims. The Claims Administrator, in its sole discretion to be reasonably exercised, will determine whether: (a) the claimant is a Settlement Class Member; (b) the claimant has provided all information needed to complete the Claim Form, including any documentation that may be necessary to reasonably support the expenses described in ¶ 3.2; and (c) the information submitted could lead a reasonable person to conclude that more likely than not the claimant has suffered the claimed losses as a result of the Data Incidents. The Claims Administrator may, at any time, request from the claimant, in writing, additional information as the Claims Administrator may reasonably require in order to evaluate the claim, *e.g.*, documentation requested on the Claim Form, and required documentation regarding the claimed losses. The Claims Administrator's initial review will be limited to a determination of whether the claim is complete and plausible. For any claims that the Claims Administrator determines to be implausible, the Claims Administrator will submit those claims to the Settling Parties. If the Settling Parties do not agree with the claimant's claim, after meeting and conferring, then the claim shall be referred to a claims referee for resolution. The Settling Parties will mutually agree on who the claims referee should be if one is required.

- a) Upon receipt of an incomplete or unsigned Claim Form or a Claim Form that is not accompanied by sufficient documentation to determine whether the claim is facially valid, the Claims Administrator shall request additional information ("Claim Supplementation") and give the claimant twenty-one (21) days to cure the defect before rejecting the claim. Requests for Claim Supplementation shall be made within thirty (30) days of receipt of such Claim Form or thirty (30) days from the Effective Date, whichever comes later. In the event of unusual circumstances interfering with compliance during the twenty-one (21) day period, the claimant may request and, for good cause shown (illness, military service, out of the country, mail failures, lack of cooperation of third parties in possession of required information, etc.), shall be given a reasonable extension of the twenty-one (21) day deadline in which to comply; however, in no event shall the deadline be extended to later than one-hundred-and-eighty (180) days from the Effective Date. If the defect is not timely cured, then the claim will be deemed invalid and there shall be no obligation to pay the claim.
- b) Following receipt of additional information requested by the Claims Administrator, the Claims Administrator shall have ten (10) days to accept, in whole or lesser amount, or reject each claim. If, after review of the claim and all documentation

submitted by the claimant, the Claims Administrator determines that such a claim is facially valid, then the claim shall be paid. If the Claim Administrator determines that such a claim is not facially valid because the claimant has not provided all information needed to complete the Claim Form to enable the Claim Administrator to evaluate the claim, then the Claim Administrator may reject the claim without any further action. If the claim is rejected in whole or in part, for other reasons, then the claim shall be referred to the claims referee.

- c) If any dispute is submitted to the claims referee, the claims referee may approve the Claims Administrator's determination by making a ruling within fifteen (15) days of the claims referee's receipt of the submitted dispute. The claims referee may make any other final determination of the dispute or request further supplementation of a claim within thirty (30) days of the claims referee's receipt of the submitted dispute. The claims referee's determination shall be based on whether the claims referee is persuaded that the claimed amounts are reasonably supported in fact and were more likely than not caused by the Data Incidents. The claims referee shall have the power to approve a claim in full or in part. The claims referee's decision will be final and non-appealable. Any claimant referred to the claims referee shall reasonably cooperate with the claims referee, including by either providing supplemental information as requested or, alternatively, signing an authorization allowing the claims referee to verify the claim through third-party sources, and failure to cooperate shall be grounds for denial of the claim in full. The claims referee shall make a final decision within thirty (30) days of the latter of the following events: its receipt of the submitted dispute and receipt of all supplemental information requested.

3.9 Settlement Expenses. The costs of claims administration under ¶¶ 9.1, 9.2, and 9.3, and the costs of dispute resolution described in ¶ 3.8 shall be paid for from the settlement fund.

3.10 Settlement Class Certification. The Settling Parties agree, for purposes of this settlement only, to the certification of the Settlement Class. If the settlement set forth in this Settlement Agreement is not approved by the Bankruptcy Court or the District Court, or if the Settlement Agreement is terminated or cancelled, this Settlement Agreement, and the certification of the Settlement Class provided for herein, will be vacated. The Settling Parties' agreement to the certification of the Settlement Class is also without prejudice to any position asserted by the Settling Parties in any other proceeding, case, or action, as to which all of their rights are specifically preserved.

4. Preliminary Approval and Notice of Fairness Hearing

4.1 As soon as practicable after the execution of the Settlement Agreement, the Trustee, in consultation with the Settling Parties, shall submit a motion to Bankruptcy Court to (a) approve the Settlement Agreement under Federal Rule of Bankruptcy Procedure 9019, and (b) lift the automatic stay to reactive the Litigation in the District Court for purposes of settlement approval and administration in the District Court. Upon the reactivation of the Litigation in the District Court, Plaintiff's Counsel and Stratford's Counsel shall thereafter jointly submit this Settlement Agreement to the District Court, and Plaintiff's Counsel will file a motion for preliminary approval

of the settlement with the District Court requesting entry of a Preliminary Approval Order in the form attached hereto as Exhibit D, or an order substantially similar to such form in both terms and cost, requesting:

- a) certification of the Settlement Class for settlement purposes only pursuant to ¶ 3.10;
- b) preliminary approval of the Settlement Agreement as set forth herein;
- c) appointment of Nicholas Migliaccio of Migliaccio & Rathod LLP and Sutter & Terpak, PLLC as Proposed Class Counsel;
- d) appointment of Plaintiff as Class Representative;
- e) approval of a customary form of Short Notice to be mailed by U.S. mail to Settlement Class Members in a form substantially similar to Exhibit B, attached hereto;
- f) approval of the Long Notice to be posted on the Settlement Website in a form substantially similar to Exhibit C, attached hereto, which, together with the Short Notice, shall include a fair summary of the Settling Parties' respective litigation positions, the general terms of the settlement set forth in the Settlement Agreement, instructions for how to object to or opt-out of the settlement, the process and instructions for making claims to the extent contemplated herein, the requested attorneys' fees, and the date, time and place of the Final Fairness Hearing;
- g) approval of the Claim Form to be available on the Settlement Website for submitting claims and available, upon request, in a form substantially similar to Exhibit A, attached hereto; and
- h) appointment of the Claims Administrator.

The Short Notice, Long Notice, and Claim Form shall be reviewed by the Claims Administrator and may be revised as agreed upon by the Settling Parties before such submissions to the District Court for approval.

4.2 Within twenty (20) days of the Preliminary Approval Order, Defendant shall deposit or cause to be deposited the total sum of Five Hundred Eighty Thousand Dollars and Zero Cents (\$580,000.00) into an interest-bearing account established and administered by the Claims Administrator. The costs of notice (including any required notices under CAFA), together with the Costs of Claims Administration, any attorneys' fees, costs, and expenses of Plaintiff's Counsel, and a service award to the Class Representative, as approved by the District Court, shall be paid from the Settlement Fund. Notice shall be provided to Settlement Class Members by the Claims Administrator in a manner that satisfies constitutional requirements and due process. The notice plan shall be subject to approval by the District Court as meeting constitutional due process requirements. The Claims Administrator shall establish a dedicated Settlement Website and shall maintain and update the website throughout the claim period, with the forms of Short Notice Long Notice, and Claim Form approved by the District Court, as well as this Settlement Agreement. Before the Final Fairness Hearing, Proposed Class Counsel shall file with the District Court an

appropriate affidavit or declaration with respect to complying with this provision of notice. The Short Notice Long Notice, and Claim Form approved by the District Court may be adjusted by the Claims Administrator in consultation with an agreement by the Settling Parties, as may be reasonable and necessary and not inconsistent with such approval.

4.3 Proposed Class Counsel and Stratford's Counsel shall request that after notice is completed, the District Court hold a hearing (the "Final Fairness Hearing") and grant final approval of the settlement set forth herein.

5. Opt-Out Procedures

5.1 Each person wishing to opt-out of the Settlement Class shall individually sign and timely submit written notice of such intent to the designated Post Office Box established by the Claims Administrator. The written notice must clearly manifest a person's intent to be excluded from the Settlement Class. No mass, class, or group opt-out requests will be valid. To be effective, written notice must be postmarked no later than sixty (60) days after the Notice Date.

5.2 All persons who submit valid and timely notices of their intent to be excluded from the Settlement Class, as set forth in ¶ 5.1 above, referred to herein as "Opt-Outs," shall not receive any benefits of and/or be bound by the terms of this Settlement Agreement. All persons falling within the definition of the Settlement Class who do not request to be excluded from the Settlement Class in the manner set forth in ¶ 5.1 above, shall be bound by the terms of this Settlement Agreement and Judgment entered thereon.

5.3 Within seven (7) days after the Opt-Out Date, the Claims Administrator shall furnish to Proposed Class Counsel and to Stratford's Counsel a complete list of all timely and valid requests for exclusion.

5.4 If within ten (10) days after the Opt-Out Date there have been more than one hundred (100) timely and valid Opt-Outs (exclusions) submitted, Stratford may, by notifying Proposed Class Counsel and the District Court in writing, void this Settlement Agreement. If Stratford voids the Settlement Agreement pursuant to this paragraph, Stratford shall pay the costs of settlement administration already incurred by the Claims Administrator, excluding any attorneys' fees, costs, and expenses of Plaintiff's Counsel and service awards.

6. Objection Procedures

6.1 Each Settlement Class Member desiring to object to the Settlement Agreement shall submit a timely written notice of his or her objection by the Objection Date. Such notice shall state: (a) the objector's full name, address, telephone number, and e-mail address (if any); (b) information identifying the objector as a Settlement Class Member, including proof that the objector is a member of the Settlement Class (*e.g.*, copy of notice, copy of original notice of the Data Incidents); (c) a written statement of all grounds for the objection, accompanied by any legal support for the objection the objector believes applicable; (d) a statement as to whether the objection applies only to the objector, to a specific subset of the class, or to the entire class; (e) the identity of any and all counsel representing the objector in connection with the objection; (f) a statement as to whether the objector and/or his or her counsel will appear at the Final Fairness Hearing; and (g) the objector's signature and the signature of the objector's duly authorized

attorney or other duly authorized representative. To be timely, written notice of an objection in the appropriate form must be filed with the District Court for the Eastern District of Virginia Clerk, Albert V. Bryan U.S. Courthouse, 401 Courthouse Square, Alexandria, VA 22314 and contain the case name and docket number, *Ana Rodriguez v. Stratford University Inc.*, Case No. 1:22-cv-01048-MSNWEF, no later than sixty (60) days from Notice Date, and served concurrently therewith upon Proposed Class Counsel, Nicholas A. Migliaccio, Migliaccio & Rathod LLP, 412 H Street N.W., Suite 302, Washington, D.C. 20002, and counsel for Stratford, Christopher G. Dean, McDonald Hopkins, 600 Superior Avenue, Suite 2100, Cleveland, OH 44114.

6.2 Any Settlement Class Member who fails to comply with the requirements for objecting in ¶ 6.1 shall waive and forfeit any and all rights he or she may have to appear separately or to object to the Settlement Agreement, and the Settlement Class Member shall be bound by all the terms of the Settlement Agreement and by all proceedings, orders, and judgments in the Litigation. The exclusive means for any challenge to the Settlement Agreement shall be through the provisions of ¶ 6.1. Without limiting the foregoing, any challenge to the Settlement Agreement, the final order approving this Settlement Agreement, or the Judgment to be entered upon final approval shall be pursuant to appeal under the Federal Rules of Appellate Procedure and not through a collateral attack.

7. Releases

7.1 Upon the Effective Date, each Settlement Class Member, including Plaintiff, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims. Further, upon the Effective Date, and to the fullest extent permitted by law, each Settlement Class Member, including Plaintiff, shall, either directly, indirectly, representatively, as a member of or on behalf of the general public or in any capacity, be permanently barred and enjoined from commencing, prosecuting, or participating in any recovery in any action in this or any other forum (other than participation in the settlement as provided herein) in which any of the Released Claims is asserted.

8. Plaintiff's Counsel's Attorneys' Fees, Costs, and Expenses; Service Award to Plaintiff

8.1 The Settling Parties did not discuss the payment of attorneys' fees, costs, expenses and/or service award to Plaintiff, as provided for in ¶¶ 8.2 and 8.3, until after the substantive terms of the settlement had been agreed upon, other than that Stratford would not object to a request for reasonable attorneys' fees, costs, expenses, and a service award to Plaintiff as may be ordered by the District Court. Stratford and Proposed Class Counsel then negotiated and agreed to the provision described in ¶ 8.2.

8.2 Stratford has agreed not to object to a request by Proposed Class Counsel for attorneys' fees, inclusive of any costs and expenses of the Litigation, subject to District Court approval, in an amount not to exceed one-third of the Settlement Fund or \$193,333.33. Proposed Class Counsel, in their sole discretion, shall allocate and distribute any amount of attorneys' fees, costs, and expenses awarded by the District Court among counsel for Plaintiff.

8.3 Subject to District Court approval, Stratford has agreed not to object to a request for a service award in the amount of \$2,000 to Plaintiff.

8.4 If awarded by the District Court, the Claims Administrator shall pay, to an account designated by Proposed Class Counsel, the attorneys' fees, costs, expenses, and service awards to Plaintiff, as set forth above in ¶¶ 8.2 and 8.3, within thirty (30) days after the Effective Date. Proposed Class Counsel shall thereafter distribute the award of attorneys' fees, costs, and expenses among Plaintiff's Counsel consistent with ¶¶ 8.2 and 8.3.

8.5 Any award of attorneys' fees, costs, and expenses, and the service award to Plaintiff, are intended to be considered by the District Court separately from the District Court's consideration of the fairness, reasonableness, and adequacy of the settlement. No order of the District Court, or modification or reversal or appeal of any order of the District Court, concerning the amount(s) of any attorneys' fees, costs, expenses, and/or service awards ordered by the District Court to Proposed Class Counsel or Plaintiff, shall affect whether the Judgment is Final or constitute grounds for cancellation or termination of this Settlement Agreement.

9. Administration of Claims

9.1 The Claims Administrator shall administer and calculate the claims submitted by Settlement Class Members under ¶¶ 3.1, 3.2, and 3.3. Proposed Class Counsel and Stratford shall be given reports as to both claims and distribution and have the right to review and obtain supporting documentation to the extent necessary to resolve claims administration issues. The Claims Administrator's and claims referee's, as applicable, determination of whether a Settlement Claim is a Valid Claim shall be binding, subject to the dispute resolution process set forth in ¶ 3.8. All claims agreed to be paid in full by Stratford shall be deemed a Valid Claim.

9.2 Checks for Valid Claims shall be mailed and postmarked within sixty (60) days of the Effective Date, or within thirty (30) days of the date that the claim is approved, whichever is later. The Claims Administrator may give Settlement Class Members the option to accept payment in other forms (*e.g.*, digital gift cards) in addition to a mailed paper check.

9.3 All Settlement Class Members who fail to timely submit a claim for any benefits hereunder within the time frames set forth herein, or such other period as may be ordered by the District Court, or otherwise expressly allowed by law or the Settling Parties' written agreement, shall be forever barred from receiving any payments or benefits pursuant to the settlement set forth herein, but will in all other respects be subject to, and bound by, the provisions of the Settlement Agreement, the releases contained herein and the Judgment.

9.4 No person shall have any claim against the Claims Administrator, claims referee, the Trustee, Stratford, Released Parties, Proposed Class Counsel, Plaintiff, Plaintiff's Counsel, and/or Stratford's Counsel based on distributions of benefits to Settlement Class Members.

9.5 Information submitted by Settlement Class Members in connection with submitted claims under this Settlement Agreement shall be deemed confidential and protected as such by the Claims Administrator, claims referee, Proposed Class Counsel, and Stratford's Counsel.

10. Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination

10.1 The Effective Date of the settlement shall be conditioned on the occurrence of all of the following events:

- a) the District Court has entered the Order of Preliminary Approval and Publishing of Notice of a Final Fairness Hearing, as required by ¶ 4.1;
- b) Stratford has not exercised its option to terminate the Settlement Agreement pursuant to ¶ 5.3;
- c) the District Court has entered the Judgment granting final approval to the settlement as set forth herein; and
- d) the Judgment has become Final, as defined in ¶¶ 1.11 and 1.12.

10.2 If all conditions specified in ¶ 10.1 hereof are not satisfied, the Settlement Agreement shall be canceled and terminated subject to ¶ 10.3.

10.3 In the event that the Settlement Agreement or the releases set forth in ¶ 7.1 above are not approved by the District Court or the settlement set forth in the Settlement Agreement is terminated in accordance with its terms: (i) the Settling Parties shall be restored to their respective positions in the Litigation and shall jointly request that all scheduled Litigation deadlines be reasonably extended by the District Court to avoid prejudice to any Settling Party or Settling Party's counsel; and (ii) the terms and provisions of the Settlement Agreement shall have no further force and effect with respect to the Settling Parties and shall not be used in the Litigation or in any other proceeding for any purpose, and any judgment or order entered by the Bankruptcy Court and/or District Court in accordance with the terms of the Settlement Agreement shall be treated as vacated, *nunc pro tunc*. Notwithstanding any statement in this Settlement Agreement to the contrary, no order of the District Court or Bankruptcy Court or modification or reversal on appeal of any order reducing the amount of attorneys' fees, costs, expenses, and/or service awards shall constitute grounds for cancellation or termination of the Settlement Agreement. Further, notwithstanding any statement in this Settlement Agreement to the contrary, Stratford shall (subject to approval of the District Court) be obligated to pay amounts already billed or incurred for costs of notice to the Settlement Class, and Claims Administration, and shall not, at any time, seek recovery of same from any other party to the Litigation or from counsel to any other party to the Litigation. All remaining funds shall be returned to Stratford and/or its agent(s) or designee(s) as may be appropriate.

11. Miscellaneous

11.1 The Settling Parties (a) acknowledge that it is their intent to consummate this Settlement Agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Settlement Agreement, and to exercise their best efforts to accomplish the terms and conditions of this Settlement Agreement.

11.2 The Settling Parties intend this settlement to be a final and complete resolution of all disputes between them with respect to the Litigation. The settlement compromises claims that

are contested and shall not be deemed an admission by any Settling Party as to the merits of any claim or defense. The Settling Parties each agree that the settlement was negotiated in good faith by the Settling Parties and reflects an agreement that was reached voluntarily after consultation with competent legal counsel. The Settling Parties reserve their right to rebut, in a manner that such party determines to be appropriate, any contention made in any public forum that the Litigation was brought or defended in bad faith or without a reasonable basis. It is agreed that no party shall have any liability to any other party as it relates to the Litigation, except as set forth in the Settlement Agreement.

11.3 Neither the Settlement Agreement, nor the settlement contained herein, nor any act performed or document executed pursuant to or in furtherance of the Settlement Agreement or the settlement (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity or lack thereof of any Released Claim, or of any wrongdoing or liability of any of the Released Parties; or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Released Parties in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Any of the Released Parties may file the Settlement Agreement and/or the Judgment in any action that may be brought against them or any of them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar, or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

11.4 The Settlement Agreement may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

11.5 This Agreement contains the entire understanding between Stratford and Plaintiff regarding the payment of the Litigation settlement and supersedes all previous negotiations, agreements, commitments, understandings, and writings between Stratford and Plaintiff in connection with the payment of the Litigation settlement. Except as otherwise provided herein, each party shall bear its own costs. This Agreement supersedes all previous agreements made between Stratford and Plaintiff. Any agreements reached between Stratford, Plaintiff, and any third party, are expressly excluded from this provision.

11.6 Each counsel or other person executing the Settlement Agreement on behalf of any party hereto warrants that such person has the full authority to do so.

11.7 The Settlement Agreement may be executed in one or more counterparts. All executed counterparts shall be deemed to be the same instrument. A complete set of original executed counterparts shall be filed with the District Court.

11.8 The Settlement Agreement shall bind and inure to the benefit of the successors and assigns of the Settling Parties hereto. No assignment of this Settlement Agreement will be valid without the other party's prior, written permission.

11.9 The District Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Settlement Agreement, and all parties hereto submit to the jurisdiction of the District Court for purposes of implementing and enforcing the settlement embodied in the Settlement Agreement.

11.10 All dollar amounts are in United States dollars (USD).

11.11 Cashing a settlement check is a condition precedent to any Settlement Class Member's right to receive settlement benefits. All settlement checks shall be void ninety (90) days after issuance and shall bear the language: "This check must be cashed within ninety (90) days, after which time it is void." If a check becomes void, the Settlement Class Member shall have until six (6) months after the Effective Date to request re-issuance. If no request for re-issuance is made within this period, the Settlement Class Member will have failed to meet a condition precedent to recovery of settlement benefits, the Settlement Class Member's right to receive monetary relief shall be extinguished, and Stratford shall have no obligation to make payments to the Settlement Class Member for expense reimbursement under ¶ 3.2 or any other type of monetary relief. The same provisions shall apply to any re-issued check. For any checks that are issued or re-issued for any reason more than one hundred eighty (180) days from the Effective Date, requests for re-issuance need not be honored after such checks become void. Notwithstanding the foregoing, Settlement Class Members that select Credit Monitoring Services as a Settlement Benefit under ¶ 3.1 such selection shall be effective upon submission of the Claim Form selecting this benefit, approval by the Claims Administrator and the Settlement Class Member otherwise completing the instructions for receipt of Identity Theft and Fraud Monitoring.

11.12 All agreements made and orders entered during the course of the Litigation relating to the confidentiality of information shall survive this Settlement Agreement.

[Remainder of page intentionally left blank; Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have caused the Settlement Agreement to be executed by their duly authorized attorneys.



Ana Rodriguez,
Plaintiff

07/03/2024

Date



Estate of Stratford University Inc.
Defendant

7/3/2024

Date

By: Janet Meiburger, Esq.
Its: Chapter 7 Trustee

/s/ Nicholas A. Migliaccio

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